

INTELLOFAX 12

INFORMATION REPORT

CD NO.

COUNTRY Albania

SUBJECT Information on Albanian Cooperatives

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(LISTED BELOW)SUPPLEMENT TO
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1. There are four kinds of cooperatives functioning in Albania today:
 - a. Consumers' cooperative (for buying and selling) in the villages.
 - b. Consumers' cooperative (for employees and laborers) in the cities.
 - c. Cooperative for trade unions.
 - d. Farm cooperatives ("kooperativa bujqesore").
2. These cooperatives are directed by a Central Committee which belongs to the Labor Communist Party of Albania, as does its sub-groups in the cities and villages. The government strongly subsidizes the cooperatives, which it considers as helpful instruments in its struggle against "capitalistic economy" as well as in educating the masses in the "collective" way of life.
3. Consumer Cooperatives in the Villages

Until the end of 1948, the consumers' cooperatives of the villages had as their principal aim the buying of produce from the peasant at low prices, the selling of these products at low cost in the cities through the consumers' cooperatives there, and supplying the peasant in turn with manufactured goods.
4. The sale of goods to the cooperative was voluntary; however, as none of the peasants offered their products for sale because of the low prices, they were forced to do so by the agents of the Peoples' Security.
5. Beginning February 1949 the cash market for the products of the peasant was abolished and the barter system was substituted whereby the peasant gives his products and receives industrial goods not essential to him and his family (sic). For these he goes to the warehouse of the cooperative with his products for exchange. The warehouse man receives his products, lists them on a receipt in duplicate, and signs it. This duplicate receipt, which is used by the consumer cooperatives, is as follows:

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"Cooperativa e shit-blurjes
(Cooperative of selling and buying)

Erseke ne
(Erseke on.)

(Name of city or village) Erseke

Flete Ngarkimi Nr.

(Receipt No.)

Z. dorezoj mallrat e poshte shenuara:
(Mr. gave the following articles:)

(Amount)	(Type of good)	(Price)	(Number of lek)
Sasia	Lluzji i mallit	Cmimi	Shuma lek
4 (sic)	Kgr (butter)gjalp	125	5 0 0

(The seller)
Pahatura shites
Signature

(The warehouseman)
Mugazinieri
Signatura"

6. Prices for products are uniformly established for all of Albania, and are announced in a circular to the cooperatives issued by the Ministry of Commerce. The prices designated by the Ministry of Commerce at Tirana are based upon the best quality of the various products.
7. A clerk at the cooperatives is in charge of grading the quality of the goods. He has the authority to lower the price fixed by the Ministry by 20 percent if the quality of the given goods is not high enough. For example, in the receipt above, the 8 (sic) kilograms of butter according to the price list b, the Ministry of Commerce is 150 lek per kilogram, but the warehouseman of the cooperative priced it at 125 lek per kilogram because it was not of the best quality. Source points out that the goods of those who are not party members are priced lower than those who are. He also states concerning this exploitation that although the cooperative buys butter at the greatest price, 150 lek (approximately U.S. \$3.00) per kilogram, in the black market the same butter is sold for 1,300 lek (approximately U.S. \$26.00). Other examples of exploitation are the prices of oranges (one kilogram costs 15 lek) and potatoes (one kilogram costs 5 lek), which the warehouseman has the right to decrease 20 percent; they become 12 and 3 (sic) lek the kilo, while on the black market they are priced very high. The duplicate receipt for the products of the peasant is retained at headquarters, while a copy is kept by the peasant who appears with it before the accountant of the cooperative. After the accountant verifies the receipt, he pays the peasant the value of the given goods for which the peasant signs; the signed receipt remains in the headquarters of the accountant as a receipt of payment made. The accountant then turns to the back sheet of the receipt, the so-called "account quota", which deals with the quota of goods to be given to the peasant for every product that he has given. The "account quota" is based on a list fixed by the Albanian Ministry of Commerce, on which is written the quota for every type of article given in exchange by the peasant producer. Thus, the quota for butter is 70.8 percent.

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8. The operation of the "quota account" is as follows. First the value of the articles to be given to the peasant in return for his products is reckoned. To calculate this, the price of the product is multiplied by the amount of the quota and is divided by 100. For example, if a peasant gives to the cooperative 3 kilograms of butter at 145 lek a kilo, the value comes to 464 (sic) lek. Multiplied by $\frac{464 \times 70}{100} = 324.80$ lek; that is,

the value of the quota of the goods which the peasant has the right to receive in return for his products sold to the cooperative comes to about 325 lek. Then the price of every article which the peasant shall receive is based on the quota of 325 lek. For every product the peasant gives the cooperative, there is a list of goods drawn up by the Ministry of Commerce which the peasant has the right to receive. Thus, for butter there is the following list:

Corn (maize)	36 lek per kilogram	34% of the quota.
Cotton	25 lek	24%
Sugar	17 lek per kilogram	16%
Yarns	18 lek per kilogram	17%
Miscellaneous	9 lek per kilogram (sic)	9%

The number of lek shown above pertain to one kilogram of first quality butter. Because in the largest quota the given product is not of good quality, the price is fixed according to the judgment of the warehouseman, who as described above, has the right to decrease the price of the good 20 percent from the list of the Ministry of Commerce which anticipates price of first quality, and takes as a base the second column of quotas (corn, 34 percent, etc.). The total value (325) is multiplied by the quota of each article which the peasant has the right to receive (corn, 34 percent; cotton goods, 24 percent, etc.) and is divided by 100 and the sum of the lek is found from the total quota, which sum shall be used in the buying of each article. For example:

Corn	$\frac{325 \times 34}{100} = 110$ lek
Cotton	$\frac{325 \times 24}{100} = 78$ lek
Sugar	$\frac{325 \times 16}{100} = 52$ lek
Yarns	$\frac{325 \times 17}{100} = 55$ lek
Miscellaneous	$\frac{325 \times 9}{100} = 30$ lek

Total = 325 lek (total quota of value)

9. After the completion of the above calculation, the accountant of the cooperative fills out special cards which he gives to the peasant.. For every article that the peasant has a right to receive, he gets one ration card. These cards (coupons) are the following types:

"Kooperativa e shit-blerjes
(Cooperatives selling and buying)

(Ration Card No)
Kupon Nr

1 Vlefteshem per Shkambi Reciprok

For lek _____ (amount)

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(Issued to Mr. (last name)
 Leshuar Z
 (From the village. (name of village)..... to buy
 with the price of bartered goods to):
 me cmimet e shkembimit reciprok ne:
 (The cooperative for selling and buying)
 Kooperativem e shit-blerjes (name of village or city)

Lek (amount of lek, in numerals
 and written out.

Lek -pregj gartiljlli.
 Date
 Data

Stamp of cooperative and
 signature of accountant"

When the peasant delivers something daily (milk, for example), then the above account is rendered every week or ten days. When the peasant gives more than one type of goods and the quota (list) of each of his products contains the same article, this is added together and one book (coupon) is issued. For example, if he gives butter and cheese, the list of the Ministry of Commerce has cotton and sugar in exchange. The ration card (coupon) is issued in duplicate. One is given to the peasant and the other is kept by the accountant of the cooperative. The above ration cards only have a nominal value and are valid only for the cooperative in which the peasant is enrolled.

10. As a rule the cooperatives of the villages do not have goods to give in exchange to the villagers and are forced to go to the cities to get the articles. But as the cooperatives of the cities are usually depleted of supplies, the producers return to their villages without the necessary goods. Many times they receive only one article. For example, they have the right to receive with the ration card 2 kilograms of sugar, but instead they receive only 100 grams. When a peasant is about to receive what is written on the ration card, the amount of the quota is divided by the price of the good; for example, a peasant who gave 3.2 kilograms of butter is supposed to receive sugar valued at 52 lek. The 52 lek is divided by the price, i.e., 40 lek per kilogram, and he receives 1.3 kilograms. The same is done with other articles. When the peasant receives his goods, he gives up his card and the value of the goods in lek.
11. Besides the ostensible aims, the above cooperatives function to accomplish the following:
 - a. Annihilate private business and eliminate retailers, i.e., wipe out private enterprise as competitor in state economy.
 - b. Educate the peasant masses in the "collectivist" economy for the gradual installation of cooperative farms.
 - c. Sharpen the class struggle in the countryside.
12. Consumer Cooperatives for Employees and Workers of the Cities

The prime purpose of these cooperatives is to supply employees and laborers with the essentials of food and clothing. The distributed goods are furnished either by the cooperatives of the buying and selling market in the villages or from the state division of economy (sic). Goods from private enterprises may lawfully be sold, but today this is impossible because

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there is no private market except for vegetables. Members of these co-operatives are employees and laborers. No distribution of profits is made to them since profits are not allowed, except for the necessary margin for the maintenance of administrative bureaus. The consumer co-operatives maintain such establishments as restaurants, hotels, coffee-shops, candy-shops for their employees and laborers.

13. Cooperatives of Industrial Workers and Trade Unions

These cooperatives function in cities and villages and those who belong are classed according to industrial skill (tailors, shoe-makers, etc.). All the specialists work in partnership but their compensation does not depend upon gains made and they work without salary. Any profits are used for purchasing Soviet-type equipment. Although there have been instances where profits from the cooperatives were distributed among its members, the amount was very little. These cooperatives operate for the purpose mainly of separating the workers from private production and for educating them in the collective way of work and production.

14. Farm Cooperatives

The farm cooperatives of Albania are similar to those in the Soviet Union functioning by the name of kolhoz. The Tirana Government pays particular attention to their establishment, regarding their prevalence as a basic factor in making Albania communistic. The farm cooperatives of Albania are formed and administered as follows:

a. General Assembly

- (1) The General Assembly is the highest governing body of the farm cooperative.
- (2) The General Assembly performs the following functions:
 - (a) Passes on the entrance of new members and on the expulsion of members who do not conform to the rules.
 - (b) Judges the yearly report of the leaders of the cooperatives.
 - (c) Approves the contract with the mechanized tillage depot (S.M.T.).
 - (d) Judges the plan of production and economic administration.
 - (e) Passes on the internal laws of the cooperatives.
 - (f) Elects the leaders of the cooperatives, its own leadership and the Control Committee.
- (3) The decisions of the General Assembly are valid when more than half of the members of the cooperatives are present. In the cases of the election of the chief and other leaders, and the designation of credits and eviction of members, at least two-thirds of the members must be present. Decisions are made by majority votes which are taken openly.

b. Chief of the Farm Cooperative

The chief is elected by the General Assembly for a term of two years. At the same time he is chairman of the Executive Committee. The chief and the Executive Committee jointly name the persons responsible for the various sections of the cooperative, and also for the "brigadiers" of

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the labor brigades that work for the cooperative. They also appoint an accountant from the Executive Committee or from outside. All documents of the cooperative are signed by the accountant and the chief; in the absence of the latter, by his assistant.

c. Executive Committee

The Executive Committee is responsible to the General Assembly for the operation of the cooperative and for the fulfillment of the obligations of the cooperative to the State. Depending upon the size of the cooperative, membership ranges from five to nine persons. Members are elected by open voting by the General Assembly for a term of two years. On nomination by the chief of the cooperative, the Executive Committee elects his assistant (sic).

d. Control Committee

The Control Committee is expected to make an investigation of the cooperative at least four times a year. It investigates not only the financial management but also the condition of all the goods held by the cooperative. The Committee presents its findings immediately after the reading of the annual report by the Executive Committee. Including the chief and the accountant (secretary), membership varies from three to five persons, depending upon the size of the cooperative. The Control Committee is elected by the General Assembly for a period of two years. Selection of members must invariably have the approval of the Executive Committee of the People's Council of the region in which the cooperative is located.

e. Labor Brigades

- (1) The Executive Committee of the cooperative is formed from the members of the "labor brigades" and groups. The head of the "brigade" designates the work for the members. The "brigadier" keeps a book in which he records the daily production of each worker. At the end of every year the daily work record of each member is placed on a kind of chart. If the yield of a peasant or of a cattle-raising "brigade" is good and surpasses the quota planned, then the chief of the cooperative can increase the number of days' work of the members of the "brigade" up to 10 percent of the entire number of days which they worked all year. On the other hand, if the yield is lower than the quota planned, then he can decrease the number of working days by 10 percent.
- (2) The profits of the cooperative are distributed at the end of the year among the members according to the daily production record of each. A member can receive a payment before the distribution not to exceed 50 percent of the anticipated profit for each member. At the end of the year a member can receive an advance payment of only 10 to 15 percent of the anticipated distribution.
- (3) The chief can impose punishment such as fines and temporary suspension from work for any violations of rules or for bad work. For disobedience the chief may ask for dismissal of a worker from the General Assembly. Source reports cases where members of cooperatives were taken to court because of economic sabotage.

f. Membership in the Farm Cooperative

- (1) A person who desires to become a member must submit a written request in which he states that he will accept all conditions of the cooperative. The General Assembly decides upon the applications. Both sexes in their 16th year may apply.
- (2) Any partner who is dismissed from a farm cooperative can appeal to the Control Committee of the People's Council in the area. The chief is also present, and they decide whether or not his dismissal is final. Because the person dismissed is usually anti-communist,

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the decisions of the Control Committee of the People's Council are usually in agreement with those of the General Assembly.

- (3) Based upon a law of the Albanian Government concerning the farm cooperatives, all peasants who have been characterized as "kulaks" (those who have the largest production in the village-farms) are not accepted in agrarian cooperatives. Also, those who have been accused by courts, and set free, are not accepted in the cooperatives and lose their political rights. However, their children can become members if their attitude towards the present Albanian regime is correct and if they are 16 years old.

g. Formation of Farm Cooperatives

- (1) The farm cooperatives are established through "voluntary" agreements of the producer peasants in such a way that through concentrating the means of production and through "collective" labor greater production, "a better living standard for those in the cooperative" may be achieved. According to the propaganda slogans of the Albanian Government, ".....the establishment of the farm cooperatives by the peasants is the only correct line which the working farmers must follow."
- (2) Trusted members of the Party always take the initiative in establishing farm cooperatives in the villages. Protected by the State, they exercise all kinds of pressure on the non-communist peasants who are in this way forced to enter.
- (3) When a farm cooperative is about to be formed, all the peasants who are to cooperate are expected to attend a meeting. In this way, source states, the cooperative undertakes to exploit these peasants.
- (4) Those who belong are prohibited by law from selling or buying, from renting, or from storing anything.
- (5) If a number of peasants desire to form a farm cooperative, but are hindered because other peasants do not wish to belong, then the Ministry of Agriculture and Forests intervenes. Thus, anyone desiring to form a cooperative gets his way and those opposing are obliged to cooperate because of the arbitrary decisions of the Ministry.
- (6) Every family belonging to the farm cooperatives has the right to keep a garden near his house for growing vegetables and fruit trees. The size of the garden depends upon the productivity of the area to which the farm cooperative belongs, but it cannot exceed 800-900 square piques (sic)*. The Control Committee of the People's Council in the area determines its size after a recommendation by the chief of the farm cooperative. Members who are separated from their former farms receive new ones from those which belong to the State. It is possible for them to receive farms belonging to the cooperative as long as the regular functioning of the cooperative is not impeded. Only the Ministry of Agriculture and Forests has the right to grant fertile land to those leaving or dismissed from the farm cooperatives.
- (7) Besides their agricultural products, the peasants are obliged to give all their animals, machinery, reserve seeds, fodder, huts and warehouses which are needed by the cooperative. Instead of pay, the leader of the cooperative gives animals to the members who wish to cultivate their private gardens. The only private property that a peasant may possess is his house in which he lives, and necessary food for his family.

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- (8) The animals which are given to the cooperative are appraised by a committee chosen by the General Assembly of all the members during a meeting at which the peasant also participates. The value of the animals is paid by the cooperative within six years by yearly installments in lek. Every family member is obliged to place with the cooperative a sum of 1000-3000 lek, according to his economic condition, which amount goes to the fund of the cooperative.
- (9) The number of animals allowed each household is determined by the number of family members in the cooperative and is regulated as follows:

Type of animal	Family member of cooperative consisting of:			
	Up to 6	Up to 10	Up to 15	15 and above
1) Cows	1	2	3	4
2) Calf	1	2	3	4
3) Goats	15	25	30	40
4) Pigs (female)	1	1	2	3
5) Bees	15	20	25	30
6) Rabbits	Can have as many as they want			
7) Powl	" "	" "	" "	" "

- h. Only after decision of the General Assembly can the cooperatives sell their products to the State. The cooperatives must pay the State taxes, which in comparison to the taxes of those who do not belong to the cooperatives, are very much lower. The administrative expenses of the cooperatives are paid by these revenues.

15. Total membership in all cooperatives in Albania near the end of 1949 amounted to approximately 171,000 families and 902,354 persons. The effort to form cooperatives in Albania began in 1946 with the suppression of free commerce. Until this time private enterprise engaged in 82.5 percent of the entire commercial activity in Albania, while the cooperatives represented only 3.3 percent. The remainder of commercial activity was carried on by State commerce. Since then the cooperatives have expanded as private business has decreased to the following extent:

1947	Cooperatives	18.4%
	Private business	35.0%
1948	Cooperatives	27%
	Private business	24.2%
1949	Cooperatives	40.3%
	Private business	16.1%

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